FAST

ACQUISITION STRATEGY PANEL

FLEXIBLE ACQUISITION & SUSTAINMENT TOOL

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OVERVIEW

FAST

- PROGRAM BACKGROUND
- REQUIREMENTS SCOPE
- ACQUISITION STRATEGY
- SUMMARY / RECOMMENDATION

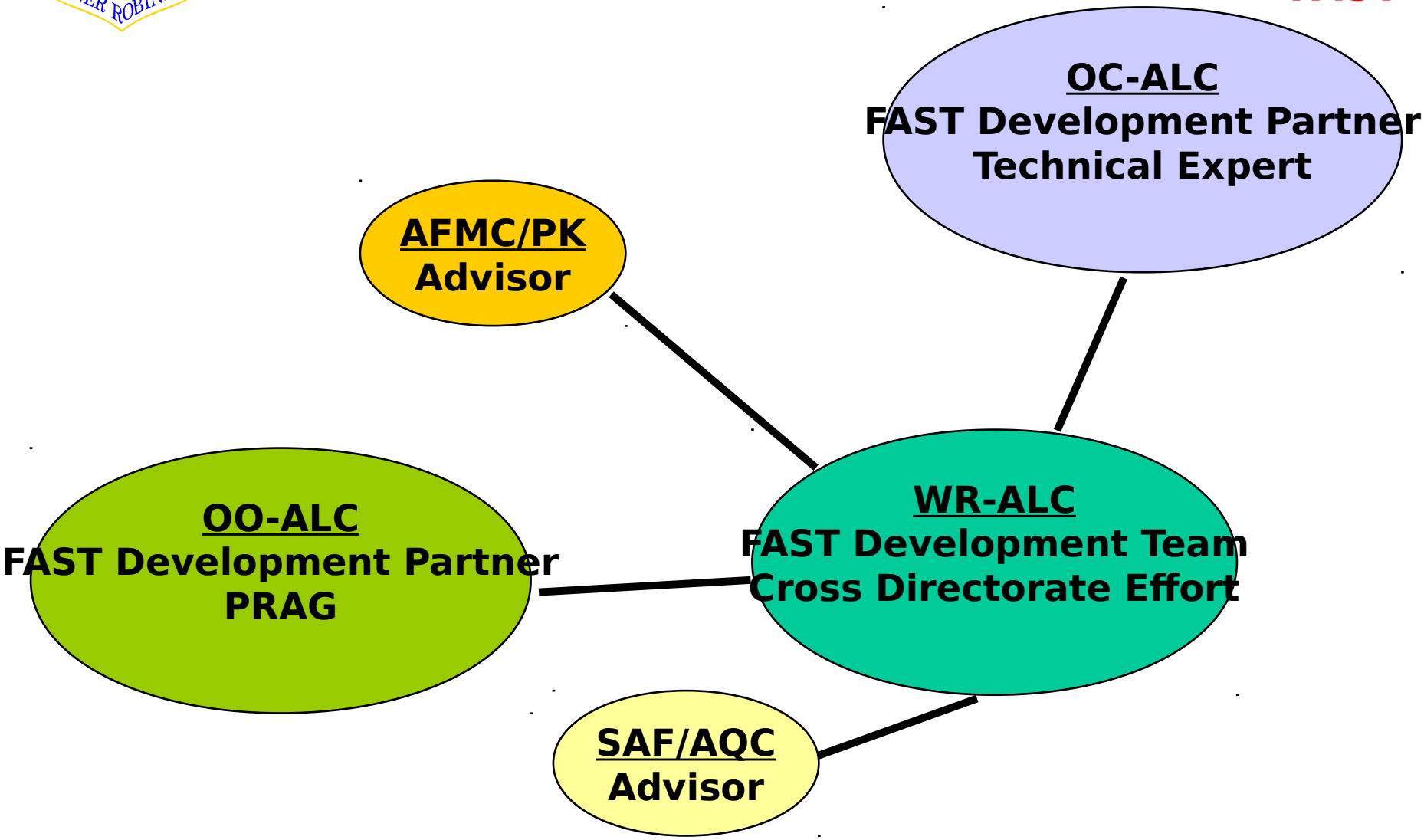
BACKGROUND
What is FAST?

FAST

- **A Multiple Award Ordering Contract**
  - **Engineering Services / Manpower Support**
  - **Limited / Contingency Spares and Repairs**
  - **Modifications**
- **Developed by ALCs with Warner Robins as Lead**
- **Estimated Amount - $7.4B Over 7 Years**

BACKGROUND
Program Organization

FAST



BACKGROUND
Program Managers' Needs

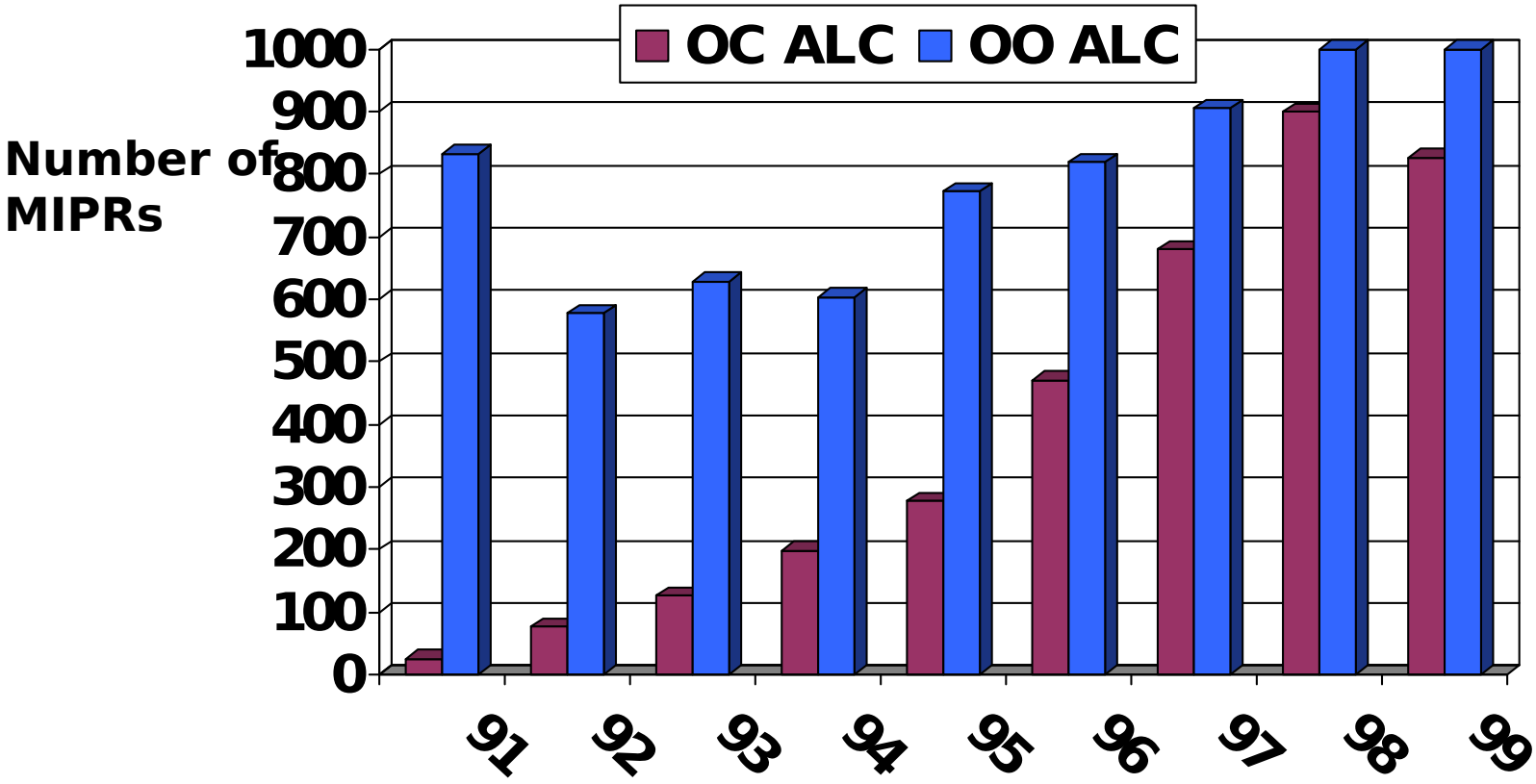
FAST

- **Quick Response Capability to Support Warfighter**
  - **Orders Vs. New Contracts**
- **Flexibility**
  - **Ability to Accomplish a Wide Variety of Tasks**
  - **Access to Wide Experience Base**
- **Customer Focus**
  - **Provide Vehicle to Bring Workload Back "In-House"**

BACKGROUND
Activity in Off-Base Contracting

FAST

Military Interdepartmental Purchase Requests (MIPRs

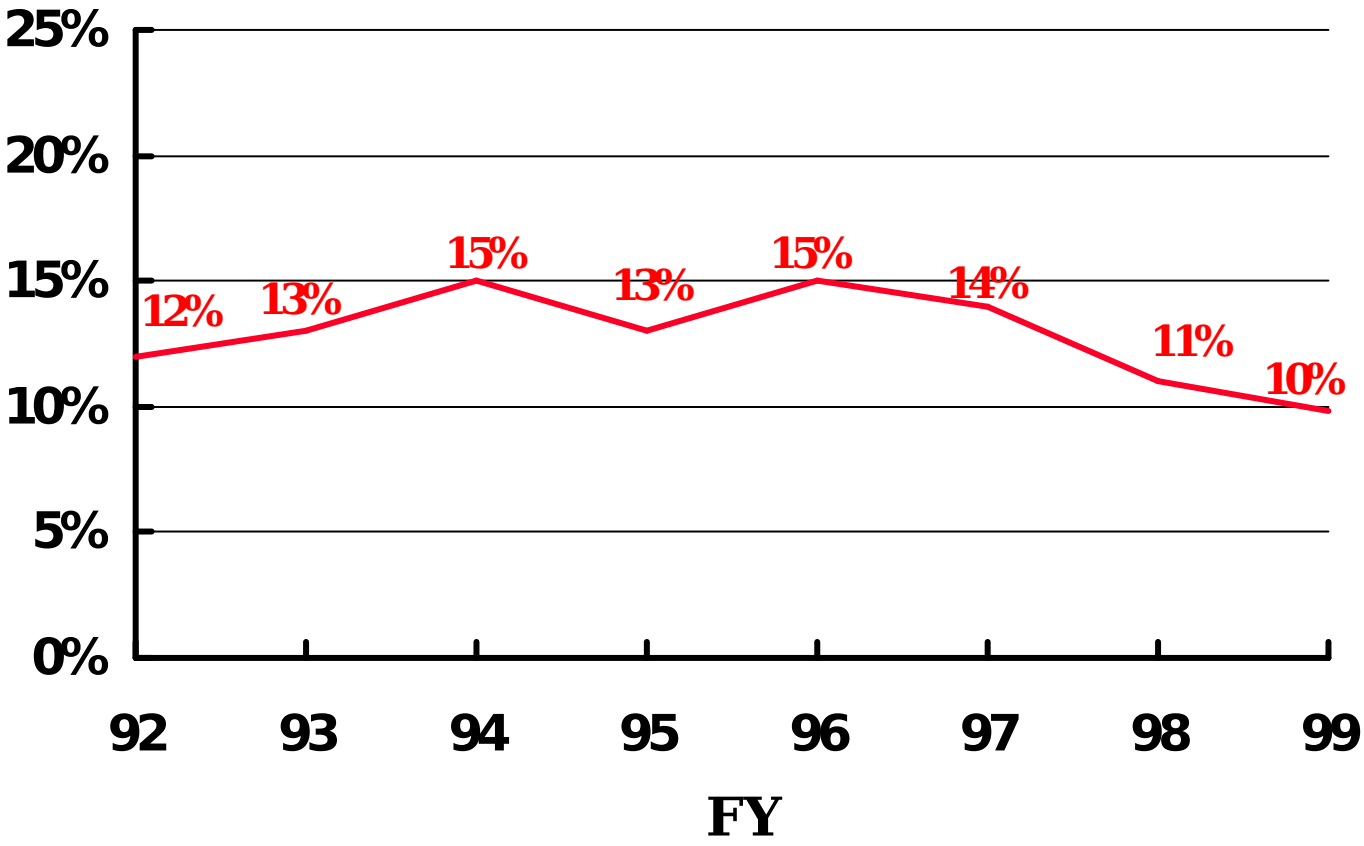


Collective MIPR'd Dollars $1.46B/yr - directed sources $365M

BACKGROUND
Decline in Small Business Awards

FAST

Percent of Contracts Awarded to Small Businesses at the ALCs



BACKGROUND
Concept Exploration

FAST

- **Performed Extensive Research…What's out there?**
- **Surveyed Customers / Contracts / Industry**
- **Visited the Best in Class**
- **Performed Business Case Analysis**

BACKGROUND
Customer Survey

FAST

- **Spreadsheet Survey**
  - **Contract Vehicles Used**
  - **Cost to Develop ID/IQ Contracts**
  - **Requirements**
- **ALC Round Robin**
- **Many Face-to-Face Discussions**

BACKGROUND
Contract Vehicle Survey

FAST

- **Researched Existing Omnibus-type Contracts**
- **Reviewed Contracts' Characteristics, Government Administration, Contractor Teaming, Lessons Learned**
- **No Predetermined Solution… Reviewed Contracts for Potential to Emulate or Utilize**

BACKGROUND
Contract Vehicles Reviewed

FAST

- **Super SETA (Systems Engineering & Technical Assistance), Brooks AFB TX**
- **DESP (Design Engineering Support Program) Hill AFB UT**
- **TTOES II (Technical Task Order Engineering Services), Tinker AFB OK**
- **A&AS Omnibus, ASC, Wright Patterson AFB OH**
- **R2CSR (Rapid Response to Critical System Requirements), US Army CECOM, Fort Monmouth NJ**
- **U.S. General Services Administration Federal Supply Service**

BACKGROUND
Contract Vehicles Reviewed

FAST

- **ITSP (Information Technology Services Program). ESC Hanscom AFB, MA**
- **DEP (Design Engineering Program), Ogden ALC UT**
- **SPAWAR (Space Warfare, Program Mgt Team Omnibus), San Diego CA**
- **USAFE SETA RFP: Einsiedlerhof Air Station Germany**
- **LO&SC (Launch Operations & Support Contract), Patrick AFB FL**
- **Engineering Support Services, US Navy NAVAIR China Lake**

BACKGROUND
Contract Vehicles Reviewed

FAST

- **AEDC O&M Arnold Engineering Development Center (AEDC), Tullahoma TN**
- **TEAS (Technical and Engineering Acquisition Support), Eglin AFB FL**
- **TAMS (Technical Acquisition Management Support), Eglin AFB FL**
- **AAAV (Advanced Amphibious Assault Vehicle), Marine Corps Systems Command, Quantico VA**
- **CSLE (Combat Support and Logistics Equipment) Marine Corps Systems Command, Quantico VA**
- **White Sands TEAM (Test Evaluation and Management), NASA Johnson Space Center, TX**
- **Naval Air Warfare Center RFP, China Lake CA**
- **Omnibus 2000, Redstone Arsenal AL**

BACKGROUND
Benchmark

FAST

- **Army's Rapid Response to Critical System Requirements (R2CSR) Contract**
- **AF Customers- #1 User**

PROs	CONs
Users love it	Surcharge 1-5%
Large multi-skilled teams	Centralized ordering
On contract < 3 weeks	No SB direct awards
20% SB subcontracting mandate	No competition credit

BACKGROUND
Action Taken On Survey

FAST

- **Developed Three Alternatives**
  - **Status Quo: Product Directorates Continue Individual Efforts**
  - **R2CSR: Utilize with Negotiated ALC Surcharges**
  - **FAST: Develop New Contract Vehicle**
- **Performed Business Case Analysis to Determine Best Alternative**
  - **Life Cycle Cost Models**
  - **Benefits Matrix**
  - **Cost to Benefits Ratio (Cost Benefit Analysis)**

BACKGROUND
FAST Goals

FAST

- **Goal #1--Meet Program Managers' (PMs') Needs**
- **Goal #2--Reduce Cost**
- **Goal #3--Increase Dollars to Small Business (SB)**

BACKGROUND
GOAL #1--Meet PMs' Needs

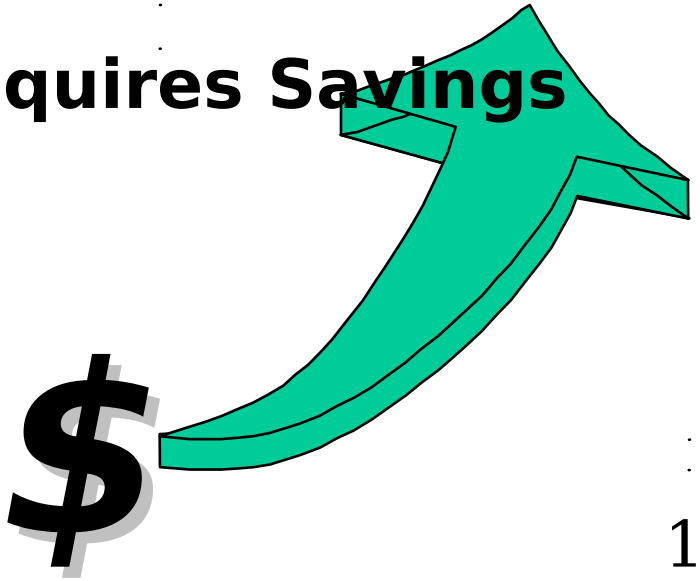
FAST

- Quick-Response Capability (19 Days or Less)
- Flexible - Accomplish Requirements on a Single Order
- Customer Focused - Decentralized Ordering
- Optional Usage

BACKGROUND
GOAL #2--Reduce Cost

FAST

- **Surcharge Savings 4%**
  - **No Charge for AFMC Users**
- **Competition Savings**
  - **Each Order is Competed**
    Unless FAR Exemption Applies
  - **Reduce Industry Cost of Doing Business**
  - **Rates Comparison**
- **Bundling Justification Requires Savings of 5%**
  - **Current Estimate 6% to 12%**



BACKGROUND
GOAL #3--Increase Dollars To SB

FAST

- 2 of 6 Anticipated Awards Reserved for SB
- 15% Direct Award Dollars to SB (Vs. 5.9% now)
- 23% of Large Business Total Dollars Must Be Subcontracted to SB (Vs. 8.1% now)
- Will Not Displace Set-Asides for Disadvantaged Businesses
- FAST is Additive - Brings Dollars Back “In-House”
- Will Stem the Tide of Declining Dollars to SB

REQUIREMENTS SCOPE

FAST

- Services
- Modifications
- Spares
- Repairs

REQUIREMENTS SCOPE
Services

FAST

- **Skills and Expertise Needed to Support the ALCs' Missions**
- **Examples**
  - **Engineers and Technicians**
  - **Physical Sciences**
  - **Computer Systems, Networking, Systems Administration**
  - **Computer Systems Management**
  - **Engineering Studies & Analysis**

REQUIREMENTS SCOPE
Services

FAST

- **Examples (cont)**
  - **Program Office Support**
  - **Financial Management, Budgeting, Funding, Accounting**
  - **Technical Data Management**
  - **Supply & Inventory Management**
  - **Transportation Operations**
  - **Budgeting, Economic Analysis**
  - **Logistics Analysis / Provisioning**

REQUIREMENTS SCOPE
Services

FAST

- **Examples (cont)**
  - **Industrial Operations & Facilities**
  - **Quality Assurance, Inspection**
  - **Environmental Compliance**

REQUIREMENTS SCOPE
Modifications

FAST

- **Existing Air Force Managed System**
- **Any / All Phases of Program**
- **Improving System Reliability, Maintainability and Sustainability**
- **Example - Traffic Alert and Collision Avoidance System (TCAS) on C-130s**
  - **Received Congressional “Add” Money in Mid FY98… Required Expeditious Obligation**
  - **Used Army CECOM Contract for Integration Design, Trial Installs, Technical Data, and Initial Training**
  - **Used ESC/GA GANS/GATM ID/IQ Contract for Grp B**
  - **Used Tinker CFT Contract for Production Installs**

REQUIREMENTS SCOPE

Spares

FAST

- Contingency
- Limited
- Critical

REQUIREMENTS SCOPE

Spares

FAST

- **Contingency**
  - **Source for Part Is Non-responsive; Short Term Work-around Source Is Obtained**
  - **Example: Attempt to Qualify Another Source Is Unsuccessful; Order Awarded to Qualified Source for Immediate Requirements**

REQUIREMENTS SCOPE
Spares

FAST

- **Limited**
  - **Small Quantities**
    - **Example: One or Two Spares to Support Emergency Warfighter Requirements**
  - **Low Demand Rate**
    - **Example: Low Demand Item Starts Failing After Twenty Years**

REQUIREMENTS SCOPE

Spares

FAST

- **Critical**
  - **Essential Part Needed for Next Higher Assembly to Fulfill Customer Requirement**
  - **Example: Needed Part Is Not Available in Supply System to Make Next Higher Assembly Serviceable**

REQUIREMENTS SCOPE

Spares

FAST

- **What FAST Spares Are:**
  - **Low Volume**
  - **Critical Need**
  - **Low Percentage of Spares Requirement**
- **What FAST Spares Are Not:**
  - **Large Quantities of Replenishment or Shelf Stock Spares**

REQUIREMENTS SCOPE

Repairs

FAST

- **Contingency**
- **Limited**
- **Critical**

REQUIREMENTS SCOPE
Repairs

FAST

- **Contingency**
  - **Source for Repair Is Non-responsive; Short Term Work-around Source Is Obtained**
  - **Example: During BRAC Realignment Process, Organic SOR in Process of Being Relocated; Unexpected Requirements Generate; Order Awarded to Qualified Repair Source to Fulfill Short Term Requirements**

REQUIREMENTS SCOPE

Repairs

FAST

- **Limited**
  - **Small Quantities**
    - **Example: A Special Type of Radar Warning Receiver (One or Two in the Inventory)**
  - **Low Demand Rate**
    - **Example: Item With a High MTBF Unexpectedly Fails**

REQUIREMENTS SCOPE
Repairs

FAST

- **Critical**
  - **Essential Part Needed for Next Higher Assembly to Fulfill Customer Requirement**
  - **Example - During Maintenance Process, SRU Is Required to Make LRU Serviceable; SRU Is Not Available in Supply System**

ACQUISITION STRATEGY
Overview

FAST

- Market Research / Early Industry Involvement
- Source Selection Considerations
- Contract Parameters
- Funding: At Order Level
- Risk Management / Mitigation
- Reform Initiatives
- Contract Schedule

ACQUISITION STRATEGY

Market Research/Early Industry Involvement

FAST

- **Accomplished:**
  - **Surveys Of: Contract Vehicles, Product Directorates and Industry**
  - **Briefings to Local Aerospace Industry**
  - **Use of Directorate of Contracting (PK) Business Opportunities Web Page**
  - **Extensive One-on-one Meetings With Contractors, in Excess of 120**

ACQUISITION STRATEGY

Market Research/Early Industry Involvement

- **Review of Multiple Contractual Documents:**
  - **Small Business Approaches**
  - **Evaluation Criteria**
  - **Fair Opportunities**
  - **Organizational Conflict of Interest**

ACQUISITION STRATEGY

Market Research/Early Industry Involvement

- **Use of PK Business Opportunities Web Page**
  - **Initial Program Concept**
  - **Contract Award Options**
  - **Small Business Joint Ventures**
  - **Cost Evaluation Strategy**

ACQUISITION STRATEGY

Market Research/Early Industry Involvement

- **Use of PK Business Opportunities Web Page (cont)**
  - **Responses to Questions Generated by Requests for Comment**
  - **Industry Day Briefings / Q & A**
  - **Risk Assessment Workshop Info / Results / Q & A**
  - **Draft Clauses - Organizational Conflict of Interest and Fair Opportunities**
  - **Briefings to Local Aerospace Industry**

ACQUISITION STRATEGY

Market Research/Early Industry Involvement

- **As a Result of Industry Comments:**
  - **Focused on Small Business Joint Venture Ideas**
  - **Targeted Small Business Teaming Arrangement**
  - **Worked to Clearly Define Program Requirements**
  - **Identified Other Areas of Concern of Industry:**
    - Organizational Conflict of Interest
    - Fair Opportunities
    - Lack of Technical Discriminators Drives Low-Price Decision
  - **Expanded Review of Similar Contracts**

ACQUISITION STRATEGY

Market Research/Early Industry Involvement

- Commerce Business Daily (CBD) Announcements
- Requests for Comment / Information on PK Business Opportunity Web Pages
- Industry Day / Risk Assessment Workshop
- Draft Request For Proposal (RFP)

ACQUISITION STRATEGY
Early Industry Involvement

FAST

- **Industry Day 15 Nov 99**
  - **400 in Attendance: 95 Small Businesses; 70 Large Businesses**
- **Risk Assessment Workshop**
  30 Nov - 2 Dec 99
  - **44 in Attendance: 17 Small Businesses; 10 Large Businesses**

ACQUISITION STRATEGY
Source Selection Considerations

FAST

- Source Selection Procedures
- Source Selection Organization
- Evaluation Criteria
- Proposal Risk
- Past Performance
- Cost / Price Evaluation

ACQUISITION STRATEGY
Source Selection Procedures

FAST

- **AFFARS 5315.3 - Best Value Agency Procedures**
- **Select the Best Value Contractor Teams Responsive to the Broad FAST Mission Requirements**

ACQUISITION STRATEGY
Source Selection
Organization

FAST

- **Source Selection Authority (SSA)**
  - **Principal Deputy Assistant Secretary for the Air Force (Acquisition & Management)**
- **Source Selection Advisory Council (SSAC)**
- **Source Selection Evaluation Team (SSET)**
  - **Joint Membership From All Three ALCs**
- **Performance Risk Assessment Group (PRAG)**
  - **Chaired by OO-ALC**

ACQUISITION STRATEGY
Evaluation Criteria

FAST

- **Integrated Assessment**
  - **Four Mandatory Evaluation Factors:**
    - **Factor 1 - Mission Capability**
    - **Factor 2 - Proposal Risk**
    - **Factor 3 - Past Performance**
    - **Factor 4 - Price / Cost**
- **Factors 1 - 3 Are of Equal Importance; Factor 4 Is of Less Importance**

ACQUISITION STRATEGY
Evaluation Criteria

FAST

- **Mission Capability Subfactors**
  - **Subfactor 1: Warfighter Support**
  - **Subfactor 2: Responsiveness**
  - **Subfactor 3: Small Business Strategy**
- **Subfactors 1 and 2 Are of Equal Importance; Subfactor 3 Is of Less Importance**

ACQUISITION STRATEGY
Evaluation Criteria

FAST

- **Mission Capability Evaluation**
  - **Risk Assessment Workshop Determined Areas of Discrimination**
  - **Sample / Actual Tasks Will Be Part of Evaluation**
  - **Pop Quiz**
  - **Oral Presentations Will Be Required**
    - **Conducted and Taped at WR-ALC**
    - **Q & A Session Will NOT Constitute Discussions**

ACQUISITION STRATEGY
Proposal Risk

FAST

- **Evaluated at the Mission Capability Subfactor Level**
- **Focuses on the Risks and Weaknesses Associated With an Offeror's Proposed Approach**
- **Includes Assessment for**
  - **Disruption of Schedule**
  - **Increased Cost**
  - **Degradation of Performance**
  - **Need for Increased Government Oversight**
  - **Likelihood of Unsuccessful Contract Performance**

ACQUISITION STRATEGY
Past Performance

FAST

- **Evaluate Offeror's Present and Past Work Record**
  - **Past Performance Volume, Surveys, Questionnaires, CPARS, Other Sources**
- **Assess Government's Confidence in Offeror's Probability of Successfully Performing As Proposed**
- **Accomplish for Each Offeror and Their Critical Teaming / Joint Venture and Subcontractors**
- **Focus on Performance Relevant to Mission Capability Subfactors**

ACQUISITION STRATEGY
Cost / Price Evaluation

FAST

- **What We Will Evaluate**
  - **Labor Rates**
  - **Add-On Factors**
  - **Sample Task Prices**
    - **Direct Material**

ACQUISITION STRATEGY
Cost / Price Evaluation

FAST

- **How We Will Evaluate**
  - **Reasonableness**
    - **Accomplished on All Labor Rates: Fixed Price (FP), Time & Material (T&M), Cost**
  - **Realism Analysis**
    - **Performed on all Cost Type Rates and Sample Tasks**

ACQUISITION STRATEGY
Contract Parameters

FAST

- Commercial vs. Noncommercial
- Contract Type
- Contract Structure
- Special Terms and Conditions
- Other

ACQUISITION STRATEGY

FAST

Contract Parameters

- **Commercial Vs. <u>Noncommercial</u>**
  - **FAST Will Be Non-commercial, Acquired Under FAR 15 Provisions**
  - **Users Indicated a Need for Flexible Pricing Arrangements**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Contract Type: Multiple Award ID/IQ**
  - **Allows for Maximum Flexibility in Ordering; Easy to Use**
  - **Minimum Guarantee - $500,000**
  - **Awardees Will Not Receive Contract Until First Order Is Issued (“Minimum Guarantee”)**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Contract Structure:**
  - **6 Awards; 4 Full and Open Competition; 2 Reserved for Small Business**
  - **Pricing: Multiple Pricing Arrangements (FP, T&M, Cost)**
  - **CLINs: "Menu" of CLINs for Various Services / Supplies to Be Procured**
  - **Length: 7 Years (Basic 5-year and One 2-year Option)**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Contract Structure: Multiple Awards**
  - **Allows Customer to Reach Contractor Who Provides the Best Value for a Supply / Service**
  - **All Orders Will Be Considered in Accordance With Fair Opportunities Clause(s) Set Forth in the Basic Contract, and Evaluated in Accordance With Evaluation Criteria Set Forth in Each Order Request**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Contract Structure: Length of Contract**
  - **7 Year Contract**
  - **Ordering Period Will Be:**
    - **5-year Basic Contract Plus One 2- Year Option**
    - **Rates Included in Contracts for Basic Period**
    - **Rates for Option Period Will Be Calculated Based on Economic Price Adjustment**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Special Terms and Conditions**
  - **Performance of Work During Crisis**
  - **Organizational Conflict of Interest**
  - **Ordering Clause**
  - **Partnering Clauses**
    - **Buyer's Perspective: Will Include a Provision to Allow Partnering**
    - **Seller's Perspective: ALCs' Business Development Offices Working Together to Craft Strategy**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Other Considerations: Small Business Issues**
  - **Subcontracting Requirement for Large Business**
    - **23% (or Higher %, If Proposed by Contractor) of the Total Obligated Dollars**
  - **Evaluated Throughout the Life of the Contract**
    - **Monitored by Central Administration Team at WR-ALC**
  - **Failure to Meet Requirement Affects Contractor's Past Performance, and Will Be Considered Before Award of New Orders**

ACQUISITION STRATEGY
Contract Parameters

FAST

- **Other Considerations: Small Business Issues**
  - **Intent to Award 15% of Total Obligated Dollars to Small Business**
    - **Evaluated Quarterly at Program Level Over Life of Contracts**
    - **Corrective Action, If Necessary**

ACQUISITION STRATEGY
Risk Management / Mitigation

FAST

- **Risks Identified at Risk Assessment Workshop**
  - **Unreasonably Low Labor Rates**
    - Mitigation: Focus Cost Evaluation on Sample Tasks to Emphasize Technical Approach Vs Low Price
      - No Roll-up of Rates; Roll-up of Sample Task Prices Only
  - **Management**
    - Mitigation: Focus Evaluation on Sample Tasks and Pop Quiz to Determine the Contractor's Capability to Manage the Broad Scope of the Contract
  - **Organizational Conflict Of Interest (OCI)**
    - Mitigation: Incorporation of Provisions at Basic Contract Level; Application at Order Level

ACQUISITION STRATEGY
OCI (FAR 9.501)

- **Organizational Conflict of Interest Means That Because of Other Activities or Relationships With Other Persons**
  - **A Person Is Unable to Render Impartial Assistance or Advice to the Government**
  - **The Person's Objectivity in Performing the Contract Work Is or Might Otherwise Be Impaired**
  - **The Person Has an Unfair Competitive Advantage**

ACQUISITION STRATEGY
FAST OCI Strategy

FAST

- AFMC OCI Clauses Incorporated Into the Solicitation / Contract
- OCI Considered at the Order Level When Potential Conflicts Are Identified
  - **Appropriate Clauses Implemented at Order Level**
- Multiple Awards Allow Contractors to Decline an Order If an OCI Is Identified
- Actual OCIs May Require Mitigation Plans When in the Best Interests of the Government
- Tailored Clause Posted to Web Page Nov 99

ACQUISITION STRATEGY
Reform Initiatives

FAST

- Acquisition Support Team Facilitated Industry-involved Risk Assessment Workshop
- Users Are Part of Acquisition Team
- Industry Involved in All Facets of Concept Development
- Used Web for Posting of Program Information and Requests for Comment
- Permit Contractor Partnering With ALCs

ACQUISITION STRATEGY
Reform Initiatives

FAST

- **Draft RFP Released to Industry Via Web Page Mar 00**
- **Small Business Office Assistance on Draft RFP**
- **Pre-solicitation Conference Scheduled for Apr 00**
- **Oral Presentations Will Be Conducted**
- **Debriefings Will Be Conducted With Unsuccessful Offerors**

ACQUISITION STRATEGY
Contract Schedule

FAST

EVENT	DATE
DRAFT RFP RELEASE	Mar 00
ACQUISITION STRATEGY PANEL	21 Mar 00
SAMP APPROVAL	21 Mar 00
CBD SYNOPSIS OF FORMAL RFP	Mar 00
PRESOLICITATION CONFERENCE	Apr 00
RFP RELEASE	May 00
PAST PERFORMANCE / RATES REC'D	Jun 00
ORAL PRESENTATIONS	Jun/Jul 00

ACQUISITION STRATEGY
Contract Schedule

FAST

EVENT	DATE
DISCUSSIONS	Aug 00
CLEARANCE	Sep 00
FINAL PROPOSAL REVISIONS	Oct 00
SSA DECISION	Nov 00
CONGRESSIONAL NOTIFICATION	Nov 00
CONTRACT AWARD	Nov 00
DEBRIEFINGS	Nov 00

SUMMARY/RECOMMENDATION

FAST

- **Discussion**
- **Recommendation: Approve Acquisition Strategy by Signing SAMP**
- **Summary (With Review of Action Items)**